

A RESOLUTION

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION ("EDC") APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HELOTES, TEXAS ("CITY"), EDC, AND HELOTES TOWN CENTRE, L.P., A TEXAS LIMITED PARTNERSHIP ("DEVELOPER"), FOR PROPERTY AND SALES TAX GRANTS FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS AND A MIXED-USE COMMERCIAL SHOPPING CENTER ON APPROXIMATELY 19.46 ACRES OF REAL PROPERTY LOCATED NEAR THE SOUTHEAST CORNER OF THE INTERSECTION OF S.H. 16 (BANDERA ROAD) AND LESLIE ROAD; INCORPORATING RECITALS; DECLARING A PUBLIC PURPOSE; AUTHORIZING THE CITY ADMINISTRATOR AND EDC EXECUTIVE DIRECTOR TO IMPLEMENT THE PROVISIONS OF THIS RESOLUTION; PROVIDING FOR SEVERABILITY; AND SETTING AN EFFECTIVE DATE.

WHEREAS, the Developer owns approximately 19.46 acres of real property in the City of Helotes, Texas located at the southeast corner of the intersection of Bandera Road and Leslie Road, being more fully described in Exhibit "A" ("Property"); and

WHEREAS, the Developer intends to develop the Property as the Helotes Town Centre, a commercial shopping center consisting of mixed-use retail, office space, and restaurant buildings; and

WHEREAS, Article III, Section 52-a of the Texas Constitution gives the Texas Legislature the authority to provide for loans and grants of public money for the development and diversification of the State's economy and the elimination of unemployment or underemployment; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380"), the City may establish and provide for the administration of an economic development program to advance economic growth, while also stimulating business and commercial activity within the municipality; and

WHEREAS, pursuant to the Development Corporation Act, Article 5190.6 Tex. Rev. Civ. Stat. ("Act"), the City has created the EDC to implement programs for promoting economic development; and

WHEREAS, the EDC's mission is to promote, encourage, and enhance the creation of jobs, the expansion of the local tax base, and the quality of life for Helotes' residents through projects that assist in the retention and expansion of existing employers, and which attract new employers and aid in economic development and growth; and

WHEREAS, the vision of the EDC includes a balance of sales and property taxes that takes into account our town's historic roots and unique environment, resulting in an improved quality of life for all Helotes citizens; and

WHEREAS, the EDC Board of Directors, upon the Project's presentment, a public hearing held thereon, and notice of said hearing having first been duly published in The Helotes Echo, the EDC website, and the City of Helotes agenda bulletin board, has determined that making an economic development grant to the Developer in accordance with this Agreement constitutes a permissible "Program" within the terms of the Act, as defined by Art. 5190.6 Development Corporation Act of 1979, Secs. 2 and 4(B) of Vernon's Texas Civil Statutes, and will promote new and expanded business development within the City and which is declared and expressly found to be in the public interest; and

WHEREAS, in addition to the six and a quarter percent (6.25%) sales and use tax imposed by the State, the City imposes a one percent (1.00%) sales and use tax, as authorized by Section 321.101 of the Texas Tax Code, and the EDC imposes a one-half percent (0.50%) sales and use tax; and

WHEREAS, the City currently imposes a property tax rate of .363651 cents per one hundred dollars (\$100.00) property valuation; and

WHEREAS, the EDC intends, and in connection with such intention, adopts this Resolution to refund fifty percent (50%) of the annual sales and use tax proceeds generated by retail businesses located within the Property, up to and including Three Million Dollars (\$3,000,000.00) for actual Hard and Soft Costs and Actual Cost of Funds associated with Public Improvements ("Maximum Grant Amount"), the City's sales and use tax and property tax proceeds withstanding, to the Developer for the purpose of encouraging business expansion and the creation of new jobs in the City; and

WHEREAS, the City Council of the City of Helotes, Texas intends, and in connection with such intention, has adopted an Ordinance, as described in Exhibit "C," to refund fifty percent (50%) of the annual sales and use tax proceeds and twenty-five percent (25%) of the annual increased property tax revenues generated by retail businesses located within and on the Property, up to and including the Maximum Grant Amount, the EDC's sales and use tax proceeds withstanding, to the Developer for the purpose of encouraging business expansion and the creation of new jobs in the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION ONE. FINDINGS OF FACT. All of the above recitals and those recitals included within the Chapter 380 Economic Development Agreement, attached hereto as Attachment One and incorporated herein by reference as if fully copied and set forth at length, are found to be true and correct and the EDC incorporates the same in this Resolution as findings of fact.

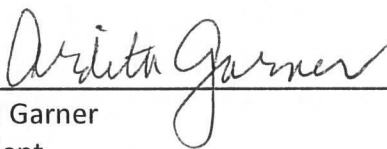
SECTION TWO. APPROVAL AND PUBLIC PURPOSE. The Chapter 380 Economic Development Agreement, attached hereto as Attachment One and incorporated herein by reference as if fully copied and set forth at length, between the City, EDC, and Helotes Town Centre, L.P. be approved and declared to serve the economic development purpose of promoting new and expanded business development within the City.

SECTION THREE. AUTHORIZATION. The City Administrator and EDC Executive Director is authorized to take all necessary steps to implement the provisions of this Resolution.

SECTION FOUR. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be unconstitutional or illegal, such decision shall not affect the validity of the remaining sections of this Resolution. The EDC Board of Directors hereby declares that it would have passed this Resolution, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared void.


SECTION FIVE. EFFECTIVE DATE. This Resolution shall be effective immediately upon adoption and the expiration of sixty (60) days following the Project's first publication in The Helotes Echo newspaper.

PASSED AND APPROVED by the Board of Directors of the City of Helotes Economic Development Corporation this 14th day of April 2010.

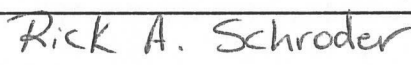


Ardith Garner
President
City of Helotes Economic Development Corporation

ATTEST:



Paul Friedrichs
Secretary
City of Helotes Economic Development Corporation


Rick A. Schroder